

Economic Development

Overview

The City of Frederick is a preferred workforce and business destination in the Baltimore-Washington Region. According to 2020 Esri Demographics, Frederick has an estimated population of 74,079 residents in 28,774 households, coupled with 54,533 jobs located at 3,786 businesses. This represents a high employment to housing ratio of approximately 1.9 jobs per city household. The City is the largest municipality in Frederick County and second largest in the state, and is the primary hub of county government, culture, and commerce.

The City of Frederick is the most common work destination for residents in the Frederick region (23,368) and that the City also is the largest source of workers in the Frederick region (15.4%) according to the Maryland Department of Labor (MDL). The City holds the highest bond ratings achievable for a small city (AA+, AA+, Aa1), due to managed spending, strong household wages, and diverse city tax base with more than 30% generated by commercial property and income taxes.

Economic development is highlighted as a critical component of the CommUNITY 2030 Strategic Plan and in this 2020 Comprehensive Plan to attract and retain resident workforce, businesses, and visitors in a sustainable manner. The City recognizes that to sustain and grow a robust economic environment it must focus attention on workforce development and housing, predictable and affordable regulations and policies, strategic infrastructure investment and business development activities.

The quality of life for Frederick residents relies on a vibrant business community that produces living-wage jobs for Frederick's growing population and which contributes equitably to the tax base needed to support critical services. Successful economic development for Frederick means:

- Retaining and attracting an educated and skilled workforce including young professionals
- Retaining, expanding, and attracting businesses including start-ups with high quality jobs, which pay family supporting wages and benefits
- Maintaining a strong ratio of jobs to housing to ensure that city residents have access to jobs within the community thereby reducing commute times and increasing quality of life
- Diversifying the business industry base to provide jobs for a wide range of skills and wages
- Enhanced public safety
- Municipal fiscal surety and high bond ratings to lower cost of borrowing for capital projects

Frederick's robust economy is due to several factors, including highly skilled and educated workforce, proximity and direct access to the Baltimore-Washington market via the internationally known I-270 Tech Corridor and I-70, strong neighboring communities such as Montgomery and Howard County, Maryland as well as Loudoun County, Virginia, the diversity of industry sectors and the impact of federal facilities including Fort Detrick and the Frederick National Laboratory for Cancer Research.

Frederick’s primary industries include biotech (R&D, bioinformatics, and biopharma manufacturing), technology (info, cyber, and blockchain), manufacturing, healthcare, financial services, and tourism.

The quantity and quality of workforce in a community has a direct correlation to business retention, expansion, and attraction. Frederick is fortunate to have a well-educated and highly skilled civilian labor force of approximately 39,000.

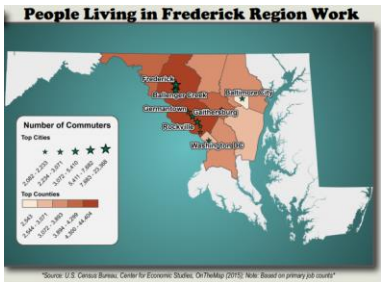
Labor Force

Labor Force by Select Cities	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019
Annapolis	23,109	22,995	22,934	23,156	23,138	23,124
Bowie	35,479	35,240	35,378	35,750	35,682	35,627
College Park	15,523	15,360	15,322	15,342	15,295	15,322
Frederick	38,695	38,339	37,915	38,319	38,148	38,035
Gaithersburg	37,633	37,288	37,032	37,366	37,303	36,972
Hagerstown	19,534	19,302	19,169	19,619	19,724	19,676
Laurel	16,127	16,074	16,054	16,239	16,230	16,173
Rockville	38,709	38,369	38,103	38,374	38,354	38,038
Salisbury	16,568	16,282	15,574	15,232	14,960	15,039

Note: Not Seasonally Adjusted data
Published by MD Office of Workforce Information & Performance
Powered by data2viz

Maryland Department of Labor

According to JobsEQ, a [proprietary economic and labor information database produced by Chmura](#), of the individuals in that labor force aged 25 to 64, over 41% have a bachelor’s degree or higher, which compares with 32% in the nation. Frederick also has a very high labor force participation rate with 72.4 percent of Frederick population over the age of 16 working and 89.2% of those between the ages of 25-54 working. Frederick County Public Schools are graduating nearly 92% of high school students. Graduates have the opportunity to join the workforce immediately or participate in internships, apprenticeships, community college, and/or college or university.



opportunities in Frederick, in order to provide more options for those commuting to higher wage jobs elsewhere.

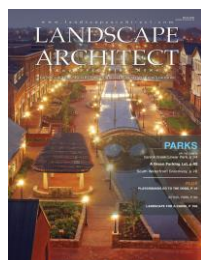
In response, the City of Frederick has implemented a variety of land use and economic development strategies and programs to make Frederick a preferred employment location. The City's Department of Economic Development strives to increase economic opportunity in the City of Frederick through workforce development, entrepreneurial assistance, business retention, expansion, and attraction.

Trends

Frederick is trending toward technology, talent, and tourism. The canning, tanning, and knitting industries of the 19th and 20th centuries have given way to biotechnology, craft breweries and distilleries, and bitcoin technologies today. This unique blending of history, technology, and access has branded Frederick as a top place to live and work on the East Coast.

The City has added 3,274 new jobs during the past five years and is projected to continue to grow for the foreseeable future (JobsEQ). Some areas of note are in healthcare, professional, scientific, technology, and manufacturing. Service industries are also doing very well in part because of population growth and tourism. Frederick continues to be competitive with its peer communities in terms of unemployment and job growth. Maryland Department of Labor (MDL) projects that Frederick will be one of the top job producing places in Maryland.

In addition to local resident demand, [and prior to COVID19 Pandemic](#), Frederick is attracting nearly two million outside visitors per year now according to Visit Frederick – Frederick County Tourism Council - which tracks such data. Those visitors are from more than 50 miles away and spend significantly in the community in terms of overnight accommodations, dining, fuel, retail, museums, arts, and emerging craft beverage industry. Visit Frederick projects that those visitors are now spending over one million dollar per day in the local economy – nearly \$400 million annually.





It used to be the norm that workforce moved to places where businesses and jobs were located regardless of the quality of life of the host community. Today, that human talent is chasing quality of life first and in turn businesses are chasing the talent to high quality locations. Young professionals are seeking to live and work in unique and authentic places, which are diverse, inspirational, and

affordable. Frederick has worked tirelessly on creative placemaking across the city through great neighborhoods, housing options, parks, trails, wayfinding, arts, culture, along with retail and entertainment amenities.

Carroll Creek Park in downtown Frederick is a tremendous example of mixed-use development anchored by world-class park amenities, music, techjobs, along with top culinary and craft beverage destinations. The City is pursuing additional placemaking, transportation, and utility investments through its Capital Improvement Program (CIP) and partnerships with both public and private sector entities. For example, the City in partnership with a private hotel developer, is pursuing a full-service downtown hotel and conference center to support resident, visitor, and business needs while inducing more than \$25 million in economic impact. Similarly, Frederick Municipal Airport (FDK) is working with a private entity to construct new hangars in its quest to be the preferred executive airport in the capital region.

Select Cities, Not Seasonally Adjusted - Local Area Unemployment Statistics (LAUS) - Workforce Information & Performance

Unemployment Rate						
Unemployment Rate by Select Cities	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019
Annapolis	3.3	3.0	2.7	2.6	2.6	2.3
Bowie	3.6	3.5	3.3	3.2	3.0	2.9
College Park	6.2	5.8	5.0	4.0	3.7	3.9
Frederick	3.8	3.6	3.2	3.1	3.0	2.8
Galthersburg	3.4	3.0	2.8	2.9	2.7	2.5
Hagerstown	4.8	4.7	4.2	4.2	4.0	3.8
Laurel	4.0	4.3	3.5	3.6	3.5	3.2
Rockville	3.1	2.8	2.6	2.5	2.5	2.3
Salisbury	5.3	5.3	4.7	4.4	4.8	4.8

Note: Not Seasonally Adjusted data
Published by  BLS Office of Workforce Information & Performance
Powered by  outlook

Unemployment Prior to the COVID19 Pandemic, unemployment in Frederick has been trending downward ~~now~~ for several years and ~~stands in December 2019 stood~~ near an all-time low of 2.8% (MDL 12/19). This low unemployment rate has caused employers to focus heavily on recruitment and retention strategies including higher wages and benefits. Some tech companies are using signing bonuses to attract talent – particularly in programming, coding, and biotech. Critical mass of certain industries allows employees the opportunity to consider employment with a variety of companies. Maryland is increasing its minimum wage for lower skilled jobs. The City DED is partnering with various workforce development organizations to provide services to both job seekers and employers to assist in the job/labor process. Examples of workforce development strategies include:

- Frederick County Public Schools (FCPS) LYNX Program @ Frederick High School
- FCPS Career and Technology Center (CTC)
- Maryland DLLR Apprenticeship Program
- Maryland DLLR Youth Apprenticeship Program
- Frederick County Workforce Services YouthWORKS Summer Jobs Program

- Hood College
- Mount Saint Mary's University
- Frederick Community College
- Center for Research Education Science and Technology (CREST)
- UNESCO Center for Peace Entrepreneurial Programs
- Fort Detrick/US Army - Gains in Engineering, Math, and Science (GEMS) Internship Program

City of Frederick, MD, 2019q3 ¹											
NAICS	Industry	Current			5-Year History		1-Year Forecast				
		Empl	Avg Ann Wages	LQ	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
62	Health Care and Social Assistance	9,411	\$48,348	1.24	1,365	3.2%	1,017	437	452	127	1.3%
44	Retail Trade	6,110	\$33,378	1.12	411	1.4%	803	360	455	-12	-0.2%
54	Professional, Scientific, and Technical Services	6,000	\$83,172	1.70	485	1.7%	571	191	323	57	1.0%
92	Public Administration	5,500	\$68,805	2.23	132	0.5%	512	214	290	8	0.2%
72	Accommodation and Food Services	4,876	\$20,260	1.03	516	2.3%	838	350	441	48	1.0%
61	Educational Services	4,053	\$47,108	0.95	117	0.6%	391	180	195	16	0.4%
52	Finance and Insurance	3,093	\$89,798	1.49	-1,221	-6.4%	317	110	180	28	0.9%
81	Other Services (except Public Administration)	2,666	\$37,423	1.13	338	2.7%	312	139	165	9	0.3%
56	Administrative and Support and Waste Management and Remediation Services	2,581	\$39,150	0.76	344	2.9%	317	126	172	19	0.7%
23	Construction	2,475	\$60,816	0.82	438	4.0%	266	87	156	23	0.9%
31	Manufacturing	1,502	\$61,830	0.35	154	2.2%	150	58	99	-7	-0.4%
71	Arts, Entertainment, and Recreation	1,120	\$20,971	1.07	85	1.6%	169	71	87	11	1.0%
42	Wholesale Trade	1,042	\$62,892	0.52	116	2.4%	107	41	68	-2	-0.2%
53	Real Estate and Rental and Leasing	645	\$63,024	0.71	74	2.5%	69	30	36	3	0.5%
48	Transportation and Warehousing	629	\$48,594	0.27	64	2.2%	67	28	38	0	0.1%
51	Information	486	\$63,900	0.47	-47	-1.8%	45	17	30	-2	-0.4%
55	Management of Companies and Enterprises	233	\$76,171	0.29	14	1.3%	22	8	13	1	0.4%
22	Utilities	147	\$106,038	0.55	28	4.2%	13	5	8	-1	-0.3%
11	Agriculture, Forestry, Fishing and Hunting	75	\$25,860	0.11	-127	-18.0%	8	3	5	0	-0.3%
21	Mining, Quarrying, and Oil and Gas Extraction	1	\$77,284	0.00	-10	-45.3%	0	0	0	0	0.3%
Total - All Industries		52,644	\$51,866	1.00	3,274	1.3%	6,078	2,457	3,289	333	0.6%

Source: [BLSQ*](#)
Data as of 2019Q3
Note: Figures may not sum due to rounding.
1. All data based upon a four-quarter moving average
Exits and transfers are approximate estimates based upon occupation separation rates.

Non-residential uses in the city now contribute 32% of the city's real property assessable tax base. This is up from 26% in 2010 (City Finance Department CAFR's) and due to significant new build to suit projects, downtown infill development, and retail projects being constructed during this period. This includes projects like the expansion of AstraZeneca, construction of Frederick National Labs at Riverside Research Park, Well Fargo at Riverside Corporate Park, and Clemson Corner/Market Square Retail Centers. This increase in tax base is despite losing major non-commercial taxpayers such as BP Solar (now part of AstraZeneca) and State Farm (now part of Frederick Health).

Major Employers

Fort Detrick, a 1,200-acre U.S. Army Medical Command installation situated in the City of Frederick, remains the largest single employment campus in Frederick County and is involved biological and botanical research and development, bioinformatics, nanotechnology, medical supply logistics, telemedicine and satellite communications. According to a 2016 economic impact study conducted for the Maryland Department of Commerce by the RESI Towson University, Fort Detrick has annual direct employee compensation of \$2.3 billion, supports 29,700 jobs overall, and generates \$6.5 billion in economic output.

Figure 4: Total Economic Impacts by Installation, FY 2016

Installation	Employment	Output	Employee Compensation
Aberdeen Proving Ground	39,289	\$5,141,388,739	\$2,132,379,177
Adelphi Laboratory Center	4,538	\$612,452,247	\$288,145,586
Army Corps of Engineers—Baltimore District	5,596	\$797,223,878	\$298,623,213
Coast Guard Yard	3,396	\$469,423,814	\$170,926,025
Fort Detrick	29,700	\$6,545,625,179	\$2,346,917,459
Fort Meade	153,310	\$21,635,331,400	\$8,978,093,114
Joint Base Andrews	26,709	\$4,562,338,779	\$1,459,199,646
Maryland Military Department	3,929	\$1,042,356,357	\$291,255,766
National Maritime Intelligence Center	4,976	\$851,901,391	\$347,450,914
Naval Air Station Patuxent River	61,132	\$8,696,989,140	\$3,610,337,461
Naval Research Lab—Chesapeake Bay Detachment	57	\$9,695,139	\$3,920,114
Naval Support Activity Annapolis	12,958	\$1,593,784,541	\$502,445,921
Naval Support Activity Bethesda	19,417	\$1,900,320,994	\$871,872,079
Naval Support Facility Indian Head	6,309	\$874,589,484	\$424,911,675
Naval Surface Warfare Center—Carderock Division	3,205	\$809,271,704	\$413,231,338
Total	374,522	\$55,542,692,786	\$22,139,709,488

Sources: Commerce, IMPLAN, RESI

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Approximately 9,600 individuals report to work at Fort Detrick every day at the over 40 organizations from five cabinet level agencies including NIH, DOD, DHS, VA, and USDA which have offices and laboratories on the post. Fort Detrick is home to the US National Interagency Biodefense Campus.

The National Cancer Institute (an NIH facility) operated by Leidos Biomedical Research, Inc. is the largest organization controlling 80 acres of the post with 2,600 employees. Leidos Biomed also operates the Frederick National Laboratory for Cancer Research located at Riverside Research Park.

Gains in employment have been substantial at AstraZeneca (AZ) (formerly MedImmune) with over 700 employees. Frederick is AZ’s primary biopharmaceutical manufacturing location in the world with over one billion dollars invested in its facilities and processes in Frederick. Other growth employers include Stulz Air Technology Systems with over 400 and Wells Fargo at 1,400 and many smaller organizations like EDCO, Wilcoxon Technologies, Charles River Labs, Precision for Medicine, and Abicor Binzel.

Top 20 Largest Employers in the City of Frederick

Business	Number of Employees	Industry Sector
Fort Detrick	9,657	Military, Bioscience, Communications
Frederick County Public Schools	5,856	Public Education
Frederick Memorial Healthcare	2,618	Comprehensive Health Care
Leidos Biomedical Research	2,277	Medical Research
Frederick County Government	2,175	County Government
Wells Fargo Home Mortgage	1,400	Mortgage Loans and Service Center
Frederick Community College	1,115	2-Year College
City of Frederick Government	880	Municipal Government
AstraZeneca	700	Biotech Manufacturing
United Health Care	613	Health Insurance
Stulz ATS	440	Manufacturer of Precision Air Conditioner Equipment
YMCA of Frederick County	419	Non-Profit, Full-Service Fitness and Health Facility
State Farm	405	Insurance
Wegman's	370	Retail Supermarket
Aldi	350	Retail Supermarket / Distribution Center
Fountain Rock Management	320	Restaurant Management
Maryland School for the Deaf	320	Educational Institute for the Hearing Impaired
Homewood Retirement Community	310	Retirement Community
Morgan Keller	270	General Contractor
Hood College	260	4-Year College

(need to update this chart)

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AstraZeneca	700	Biotech Manufacturing
United Health Care	613	Health Insurance
Stulz ATS	440	Manufacturer of Precision Air-Conditioner Equipment
YMCA of Frederick County	419	Non-Profit, Full-Service Fitness and Health Facility
Wegman's	370	Retail Supermarket
Way Station	360	Healthcare Services
Aldi	350	Retail Supermarket/Distribution Center
Fountain Rock Management	320	Restaurant Management
Maryland School for the Deaf	320	Educational Institute for the Hearing Impaired
Homewood Retirement Community	310	Retirement Community
Morgan Keller	270	General Contractor
Hood College	260	4 Year College

Please Note

- This number includes Military, Civilian, and National Cancer Institute.
- These are Full-Time Equivalent Positions that are in the City of Frederick as well as Frederick County.

Opportunities

Frederick's indicators of economic sustainability in terms of human capital, job growth, and tax base appear positive and even robust looking forward for the next decade. The Maryland Department of Labor projects that Frederick County (and in turn the City of Frederick) will be job growth leaders for the next decade. [need citation]

The Metropolitan Washington Council of Governments (MWCOC) projects that the City of Frederick will continue to generate new residential workforce growth for the next decade. Although national and international economics and policies can affect that outcome, Frederick has worked hard to put in place industry diversity, workforce development, education, water, sewer, and roadway capacity, and placemaking to ensure that it is prepared to succeed during up and down markets.

Frederick's location just 45 miles from both Washington, DC and Baltimore, MD, is a significant asset for residents and business alike. Situated at the crossroads of three major highways, with a variety of transportation options including road, rail, and air (proximity to three international airports as well as Frederick Municipal Airport), Frederick has many opportunities for overall continued business development.

Our economic development opportunities are predominantly in the following areas:

WORKFORCE

- Attract and retain a highly skilled and educated workforce including young professionals.
- Foster and enhance Frederick's multi-prong workforce development education and training to build the most highly trained and skilled workforce in America.

ENTREPRENEURS

- Grow new biotech, infotech, cybertech businesses at the Frederick Innovative Technology Incubator (FITCI).
- Attract new biotech, infotech, cybertech businesses to Frederick using FITCI, great existing building stock, and land availability.

BIOPHARMA

- Attract new biopharmaceutical manufacturing entities to Frederick to join AstraZeneca, Lonza, ThermoFisher, and new Kite Pharma – creating a powerful biopharma cluster.
- Focus on driving new business growth -particularly biopharmaceutical manufacturing - to Riverside Research Park which can assimilate another 1.2 million square feet of new growth.
- Designate and determine the benefits of Frederick's Innovation Corridor along the National Road from East Frederick through Downtown Frederick and West Frederick.

FEDERAL PARTNERS

- Support and grow the federal mission's at Fort Detrick and Frederick National Labs – retain and grow federal job opportunities.
- Parlay major federal research and development at Fort Detrick and Frederick National Labs into business development through federal contracting and tech-transfer.

TOURISM

- Drive additional visitor spending in the community through sustainable growth of tourism activity and keeping visitors in the community longer through new lodging options in downtown Frederick, museums, arts and cultural venues, dining and craft beverage facilities.

BUSINESS AND WORKFORCE INFRASTRUCTURE DEVELOPMENT

- Market Frederick's strategic location, accessible zoned land/buildings with utilities, and transportation assets.
- Harness the economic potential of the Frederick Municipal Airport for Frederick in terms of business use and economic sustainability are also critical opportunities.

- Enhance transit options including:
 - MARC Train Service Frequency (Point of Rocks Platform);
 - Bus Rapid Transit (BRT) from Frederick to Gaithersburg, Shady Grove, North Bethesda, and Tyson's corner. (along I-270);
 - Downtown Circulator;
 - Frederick's Shared Use Path System connection;
 - Downtown Frederick to C&O Canal TowPath connection via Monocacy River Trail; and
 - East Street trail connection to Carroll Creek Park.
- Facilitate the development of a full-service, upper-upscale hotel and conference center on Carroll Creek in Downtown Frederick to serve Frederick's residents, businesses, and visitors and generate in excess of \$25 million economic impact.
- Focus on preparing other new business locations for business development and construction – zoning, utilities, roadways, etc.
- Focus on making Frederick the preferred place for adaptive reuse of existing buildings and infill development – “Smart Growth”.
- Support the development of the Brickworks Property.
- Accelerate the implementation of the East Frederick Small Area Plan.
- Develop and implement plans to address stormwater and flooding issues.
- Support Golden Mile revitalization activities including marketing the Enterprise Zone, business development, shopping center connections, redevelopment, and public improvements.
- Build business and community resiliency.

Investment in Economic Development

Private capital investment in the form of new buildings, businesses, and homes, to drive workforce, jobs and tax base, tends to follow public investment. For example, the City's investment downtown in the award-winning Carroll Creek Park has resulted in millions of new and renovated mixed-use buildings, residents, and jobs – transforming the area around Carroll Creek. It is highly unlikely that any of that private investment would have occurred without the initial public investment in park improvements (and flood control). Likewise, the city has constructed new roadways like Monocacy Boulevard, which is leading to new and proposed development in other sectors of the city. Strategic public investment to provide public facilities and drive innovation and private investment is critical.

In addition, it is also important to be prepared for private investment through available “shovel-ready” zoned land with utilities for new residential and business neighborhoods. Businesses tend to make decisions on much shorter planning horizons than government and seek to limit risk, so typically a business will not wait for long zoning decisions or for major utility upgrades. Communities which can meet business timelines are typically more successful attracting private investment.

Frederick has continued to invest in infrastructure and key initiatives critical to the continued economic development success of the City. Projects include:

- Water and sewer plant and line capacity upgrades;

- Electric Power Grid Redundancy and Resiliency;
- Extension of Carroll Creek Park to the east to connect new or proposed neighborhoods to Downtown Frederick;
- Enhancement of the road network by development of new or upgraded roads such as Christopher's Crossing and Butterfly Lane; and improved efficiencies of travel through bottleneck elimination and signal system improvements;
- Master planning for sale and development of City owned excess property for new development;
- Initiatives such as the Frederick Innovative Technology Center (FITCI), the Main Street Program (Downtown Frederick Partnership), Golden Mile Alliance, and East Frederick Rising;
- Continued investment in the Frederick Municipal Airport; and
- Workforce investment through Frederick YouthWorks Summer Internship Program, FCPS LYNX at Frederick High School.

Challenges

The City has arguably prepared well for sustainable economic growth and opportunity for its residents. That said, there are challenges, which the City will consider as it looks forward during the next decade. ~~These challenges fall in several categories:~~

Competitive Cost

Threats from competition, climate change (weather events), growth pressures, limited resources, and pandemics could stifle future economic opportunity unless the City considers and implements resiliency plans for water, sewer, power, broad band internet, transportation infrastructure, and housing.

Competition

The City of Frederick does not reside in a vacuum. Residents and businesses have many options of locations to live, work and set up operations. Quality of life, location, and placemaking is part of the location decision, but so is cost. Maryland housing costs on average 184% of the national average (Frederick is less). Thus, attracting workforce particularly young professionals to high cost areas requires having many housing options including workforce housing, accessory dwelling units, etc. Impact fees and high land / rent costs also affect business decisions. Here in Frederick the layering effect of municipal and county taxes leads many potential city residents and businesses to locate outside the city in unincorporated areas or other communities with lower taxes. Frederick must remain competitive in both cost and quality with our peer communities in order to continue to

attract private capital in terms of land development, building construction, business location, and workforce.

Predictability and Risk

Flexibility and predictability of codes and regulations can also help stimulate private investment while rigid systems can do the opposite. Despite using a fairly rigid Euclidian Zoning model with lists of permitted uses, Frederick has worked hard to provide predictability and be a smart growth leader. That said, Frederick's codes largely treat infill and adaptive reuse almost the same as new construction in terms of process, APFO, and impact fees. This Plan outlines policies to make the City a leader in sustainable development including infill and adaptive reuse of existing buildings. This will require private investments along the National Road (Patrick Street) from East Frederick through Downtown to the Golden Mile. To accomplish this, the City might prioritize making those development options faster and less costly than new greenfield development. Presently, adaptive reuse of existing buildings for new uses can often be more complex, costly, and risky than new development due to life safety and ADA accessibility, design requirements, and historic preservation guidelines. For example, the city charges impact fees for the conversion of a historic building to a new use despite the fact that the building sits on existing streets, is served by existing utilities, schools, and is highly desirable for renovation and adaptive reuse. Often new users are faced with time consuming and costly zoning text amendments. Shifting to a more Form-Based Code that allows and encourages mixed-use and infill development rather than segregation of uses by focusing more on the form of and design of the use is desirable. Also, exempting existing buildings from any impact fees could encourage and incentivize reuse. Speeding the development review process so it is faster than greenfield development would also be a major incentive.

Transportation Infrastructure

Transportation

Moving people and goods from place to place efficiently is the purpose of Frederick's multi-modal transportation system. The current backbone of that system in Frederick is I-270 Tech Corridor, US15, and I-70. Major traffic congestion is costing residents, employees, and employers millions in lost time, productivity, and pollution. Frederick's ability to attract major employers in the future is predicated in part on having a reliable transportation system that has public transit at the backbone instead.

As outlined in the Transportation chapter, the City and County are currently working enhance local roadways, operate local bus service, and building trails and multi-modal paths. However, these options are principally for intracity rather than intercity travel and so cannot be backbones to the City's intercity freeway infrastructure. To address this, Frederick would need to have direct public transit to the rest of the DC region with short and daily headways and the proposed BRT concept could provide that service. Many young professionals increasingly want transit options over automobiles. Businesses recognize that their future workforce wants and needs transit options to and from work. In order to achieves the economic development goals outlined in this Chapter, including attracting a top workforce and businesses, the City will need address this transportation challenge.

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Downtown Streetscape

The City's Pop-Up Dining and Curbside Pickup initiatives to assist COVID19 impacted restaurants and retailers has highlighted severe limitation of Downtown Frederick's narrow sidewalks and streetscape. This experience provides Frederick leaders with valuable insights on opportunities to address inefficiencies in the current streetscape. This could include reorganizing the streets, sidewalks, and curb lines to maximize the resident and patron experience while maximizing the potential for retail and restaurant revenue generation. This means considering "complete streets" for pedestrian, bicycles, and vehicles.

COVID19 Pandemic

Frederick businesses have been severely damaged by the COVID19 Pandemic due to revenue losses from the emergency closure enacted by the State of Maryland. Particularly hard hit are restaurants, retailers, hotels, and other hospitality businesses like theaters, escape rooms, and craft breweries and distilleries. Nationally, economists are predicting that as many as 40 to 60 percent of restaurants may not survive given the severe impact on indoor dining. Presently the number of shuttered businesses due to COVID19 Pandemic numbers around a dozen.

Fortunately, Frederick is weathering the pandemic better than the state and nation as a result of significant numbers of stable government jobs (federal and local), as well as strong biotech (vaccine related) businesses and essential manufacturers. Additionally, Frederick is well positioned for post-pandemic recovery due to a predicted shift of residents and corporate investment from large urban areas to smaller communities. Communities like Frederick are perceived to be safer locations to live and work during the pandemic as places like DC, Philadelphia, New York have been hard hit by coronavirus infections and deaths.

This upward trend is beginning to take hold as Frederick's housing market has shifted into high gear with strong competition for housing commanding bidding wars and higher prices. According to Frederick County Association of Realtors (FCAR) August, 2020 sales volume was up 30% over August, 2019 and the median home sales prices were up 10%. Unemployment rates in Frederick area climbed to 9.5% in April 2020 from 3.0% in March 2020 and has recovered to less than 6.0% in September. Rates are expected to continue to drop as recovery continues.

On the non-residential side, retail and office leases are very soft with high vacancy rates. Trends toward internet sales and teleworking which were already in motion before COVID19 have increased significantly as consumers shop on-line. COSTAR presently shows 26% vacancy in office space in the Frederick market and 26% retail vacancy space. Businesses of all types – from biotech to bounce businesses – are shifting toward flex space which allows for front office/signage and high ceilings with docks and roll up doors. Already the City is receiving strong interest from large firms for space in business parks like Riverside Research Park, Irongate (Renn Farm), I70 Business Park (Bowman Farm), and Monocacy Gateway (Schley Farm) which will translate into several million square feet of new development in the next five to ten years – perhaps sooner.

Local Area Unemployment Statistics (LAUS)

Frederick Workforce Development Area	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020
Unemployment Rate	3.0	9.5	9.2	7.7	6.9	6.0
Unemployment	4,124	12,475	11,972	10,356	9,551	8,157
Employment	131,023	119,225	110,426	124,235	128,205	127,139
Labor Force	135,947	131,700	130,398	134,591	137,756	135,296

Note: Data Not Seasonally Adjusted

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The high cost of inaction

- Temperature is projected to increase substantially, especially due to higher extremes.
- Sea level rise is likely to accelerate, inundating hundreds of square miles of wetlands and land.
- Rain and wind from hurricanes are likely to increase.
- Precipitation is projected to increase during the winter and become more erratic.
- Urban flooding will likely worsen because extreme events will be more intense.
- Health risks due to heat stress will increase.
- The number of respiratory illnesses is likely to increase.
- Crop production may increase initially, but then decline.
- Biodiversity of plants and animals associated with forests is likely to decline.
- Coastal and Great Lakes navigation gaps will be more difficult to address.
- As ocean water becomes more acidic, shellfish production and food safety may be harmed.
- An increased risk of diseases caused by bacteria and viruses.

Climate Change

“Maryland is among the states most vulnerable to climate change. Rising sea levels, along with increased storm intensity, have devastating and far-reaching environmental and economic impacts on Chesapeake Bay and the quality of life Marylanders enjoy. Maryland’s sizable farming community could suffer costly losses during extreme droughts and heat waves. Marylanders everywhere will face increased risk of flooding and significant property damage as a result of more precipitation and other extreme weather events. Children, the elderly, and other sensitive populations are vulnerable to the effects of heat waves and increased air pollution. For these reasons, addressing climate change must be among the state’s highest priorities.

(State of Maryland – Climate Change Website - <https://climatechange.maryland.gov/science/>).

These issues are concerning to both workforce from a safe and livable community standpoint and to businesses from an investment in facilities and jobs. Corporate investment wants to reduce risk by shifting its facilities and jobs to stable and predictable locations.

The City has a history of flooding and remains vulnerable according to a 2014 UMD PALS Report on the Forecasting Climate Change Impacts in the Frederick City Watershed which states that “...experts predict a surge in the frequency and intensity of localized, “extreme” weather events. Faced with a future of erratic weather patterns, governing bodies are being forced to address serious issues surrounding water management. The report further suggests that the mixed use of land upstream of the City’s water intake along the Monocacy River makes the Frederick particularly vulnerable to flooding from stormwater runoff from “concentrated impermeable surfaces” and to water quality concerns. Recent storms have shown that Frederick has some low lying flood prone areas causing millions in home, auto, and business damage. One example is the damage to the Frederick YMCA on North Market Street which has had significant flooding twice in the past several years causing massive damage and expense.



[In response, to flooding problems, the City of Frederick has been aggressive about addressing on-site stormwater management for new development, maintaining and upgrading older stormwater management systems, and constructed a \\$60 million flood control system in Downtown along Carroll Creek which resulted in FEMA removing Downtown from the 100 Year Floodplain. This has allowed million in private investment in previously floodprone sections of downtown, which has created taxbase and jobs.](#)

[More recently, the City has retained the Army Corps of Engineers to model the most floodprone portions of the city to identify shortcomings in the stormwater management system and develop plans for improvement.](#)

Economic Development Policies and Implementation

Commented [BM1]: Brandon is working with Richard to include implementation measures about COVID

ED Policy 1

Retain, attract, and train a diverse, creative, and capable resident workforce to support existing and future employment needs.

IMPLEMENTATION

1. Conduct (and maintain) a comprehensive Workforce Study that identifies strengths and gaps in the number and skills of Frederick's current and future workforce as well as barriers to participation, retention, and attraction. The study will also generate insights and recommendations customized to Frederick, of best practices to retain, attract, and train workforce along with strategies for increasing wages, diversity, equity, and inclusion in the workforce. Strategies for attracting and retaining young professionals will also be a focal point. (Consider doing this study jointly with Frederick County Workforce Services).

2. Develop and implement a strategy to address how the “gig” workforce fits into an increasingly “gig economy” here in Frederick given national reports that more than 50% of the workforce may be freelance within the next decade.

2. 3. Actively sustain and grow a robust and diverse workforce through the following including but not limited to:
- a. Participation by the Director of Economic Development or representative on the Frederick County Workforce Development Board.
 - b. Participation by the City DED with the Frederick County YouthWORKS Summer Internship Program to increase opportunities for City disadvantaged youth to have an opportunity to work and earn a paycheck.
 - c. Participation by the City DED with Frederick County Public Schools LINX Program.
 - d. Participation by the City DED with Frederick Community College, Hood College, and Mount Saint Mary’s University on programs and strategies to connect programs and students to Frederick employers and jobs.
 - e. Participation by the City DED with industry groups such as TechFrederick, Tech Council of Maryland, Frederick County Roundtable for Manufacturing, TCM BioPharma Workforce Development Council, Local and state Chambers of Commerce, Society of Human Resources Managers (SHRM), Fort Detrick Alliance, and others.

3.2. Conduct (and maintain) a comprehensive Housing Study to provide data that can guide public policy decisions in the area of housing and identify proposed action items that can be implemented to promote the appropriate blend of housing opportunities throughout the City including affordable Workforce Housing. Provide a measured assessment of housing supply, present and future, unmet housing demand across various demographic categories and provide a comprehensive understanding of short-to-longer term housing supply and demand. Provide community specific housing priorities, policy alternatives, and intervention strategies.

ED Policy 2

Support small businesses, start-up businesses, and entrepreneurs.

IMPLEMENTATION

1. Support, sustain and grow tech business incubation programs and facilities offered by the Frederick Innovative Technology Center, Inc (FITCI) including through financial, technical, and active participation by the Director of Economic Development (or representative) on the FITCI Board of Directors and its committees.
2. Support private or non-profit co-working facilities and organizations through active participation in programs and events.

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3. Provide business assistance programs like the GROW Program, Façade Grants, Arts and Entertainment Tax Credits, etc. for small and start-up companies including business planning and business incentives.
4. Support technology transfer initiatives through the Frederick National Labs, Fort Detrick USAMRMC, Maryland Technology Development Corporation (TEDCO), DefTech, FITCI, and others.
5. Support City procurement policies provide increased opportunities for local small, minority, and women owned businesses.
6. Provide direct guidance and assistance to small and start-up businesses as well as through partner organizations such as the Maryland Womens Business Network (WBN), Centro Hispana de Frederick, Asian American Center of Frederick, Frederick County Minority Business Roundtable, Frederick Innovative Technology Center (FITCI), Small Business Development Center (SBDC), Frederick County Public Library Business Resource Center, and Frederick County Entrepreneur Council, to provide needed services to small businesses and entrepreneurs.
7. Promote the development of women- and minority-owned businesses through partnerships with organizations such as the Maryland Hispanic Chamber of Commerce and the Maryland Black Chamber of Commerce, Frederick County Chamber of Commerce, and others as determined appropriate.

ED Policy 3

Maintain a diverse industry mix, while building on our current industry strengths.

IMPLEMENTATION

1. Maintain a robust Business Retention and Expansion Program focused on Frederick's existing 3,600 businesses. Keeping and expanding existing businesses traditionally delivers as much as 80% of job growth.
2. Identify and recruit businesses that complement or enhance the existing economic mix including: ~~Bioscience and Biopharmaceutical Manufacturing; Technology (infotech, cybertech, advanced tech, etc); Manufacturing; Services; and Tourism.~~
 - a. [Bioscience and Biopharmaceutical Manufacturing](#)
 - b. [Technology \(infotech, cybertech, advanced tech, etc\)](#)
 - c. [Manufacturing](#)
 - d. [Services](#)
 - e. [Tourism](#)

3. Facilitate the use of federal, state, or local economic development programs as “gap financing” to assist businesses relocating to or expanding in Frederick and to ensure that Frederick is competitive with surrounding jurisdictions. Evaluate and update City Tax Credit Programs to ensure effectiveness and appropriateness.
4. 4. Implement flexible commercial and employment land use policies and regulations to provide site and building options for new businesses, while maintaining a high level of both function and aesthetics.
5. — Encourage growth that enables the City’s non-residential tax base to comprise a larger share of the overall tax base.
6. Maintain the jobs-rich nature of the City’s economy at an approximate ratio of two jobs for every household."
7. Actively partner with and mutually support other economic development related organizations such as TechFrederick, Visit Frederick, East Frederick Rising, Golden Mile Alliance, Downtown Frederick Partnership, Fort Detrick Alliance, MEDA, NAIOP, ULI, to promote and market Frederick as a top business location.

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ED Policy 4

Maintain a positive business investment environment.

IMPLEMENTATION

1. Ensure that City development review and permitting processes are transparent and predictable for business investment.
2. Evaluate the City’s competitiveness with surrounding jurisdictions based on development review and permitting as well as the cumulative costs of establishing and operating a business in the City.
3. Establish a criteria-based fast-track permitting process to encourage private investment.
4. Focus on customer service throughout all City departments through routine customer surveys and staff training.
5. Implement Performance Based Zoning to increase flexibility of uses across districts while maintaining harmony within the community.
6. Reduce costs and time for infill and adaptive reuse of existing structures. For example, impact fees for infill and adaptive reuse could be lowered or exempted to encourage “smart growth.”

ED Policy 5

Maintain and promote adequate infrastructure for planned business growth and develop and implement a resiliency plan for the city.

IMPLEMENTATION

1. Fund and implement capital projects that ensure adequate roads and water/sewer utility capacity for business development and expansion.
2. Coordinate with service providers to ensure reliable, redundant and high-quality electric power, telecommunications, fiber optics and broadband services as the economy shifts toward on-line shopping and telework.
3. Develop a long-term downtown streetscape plan to support complete streets with wider sidewalks, bike facilities, and improved off-street parking options. Consider the shift toward ride services and self-driving vehicles.
- 2.4. Support the development of a full-service downtown hotel and conference center in downtown Frederick.
- 3.5. Increase transportation mobility options and more efficient access to employment centers including roads, public transit, and bicycle and pedestrian paths.
- 4.6. Maintain and expand the integrated city-wide wayfinding system, which includes both vehicular and pedestrian signage.
- 5.7. Ensure the adequate supply of both finished sites and raw land suitable for a wide range of employment uses through infill, redevelopment, greenfield, and annexation policies.
- 6.8. Implement the adopted Frederick Municipal Airport Master Plan for airport sustainability, facility expansion and business development.
- 7.9. Market available land and buildings at the airport for business development opportunities.
8. Coordinate with service providers to ensure reliable, redundant and high-quality electric power, telecommunications, fiber optics and broadband services.

ED Policy 6

Encourage revitalization and reinvestment in downtown Frederick existing buildings and the supporting infrastructure along Frederick's traditional business corridors such as along the National Road, Golden Mile and in Downtown Frederick.

IMPLEMENTATION

1. Evaluate and adapt existing and new incentive programs including but not limited to the GROW Program, tax credits, Opportunity/HUB/Enterprise Zones, etc.
2. Support and participate in the [Golden Mile Alliance](#), Downtown Frederick Partnership, ~~Golden Mile Alliance~~, East Frederick Rising, and other organizations as they are formed to help advocate for and promote their respective geography.
3. ~~Implement an~~ [Build on Frederick's role as a tech hub by developing one or more Innovation Zone/Zones in Frederick revitalizing areas of the City along with support programs/incentives/workforce strategies to drive encourage tech company creation, location, expansion and job creation.](#)
3. ~~Support revitalization in certain geography.~~
4. ~~Invest~~ [underserved neighborhoods through Capital Improvement Program \(CIP\) Investment](#) in projects and programs such as: ~~Improved~~
 - a. [Complete streets with improved](#) sidewalks and pedestrian connections;
 - b. Improved gateways and wayfinding signage;
 - c. Streetscape and façade improvement programs;
 - d. [Public Art- installations throughout the city with an emphasis;](#)
 - e. Events; and
 4. f. [Parks and Recreation.](#)
5. Support and participate in the implementation of the National Trust for Historic Preservation Main Street Program, ~~administered through the Downtown Frederick Partnership.~~
6. To enhance arts and cultural opportunities, develop policies, incentives and regulations to:
 - a. Support the Downtown Frederick Arts and Entertainment District vision and goals;
 - b. Encourage and support efforts to increase the number of art and entertainment spaces within the Arts and Entertainment district; and
 - c. Encourage creation of artist live/work units within the Arts and Entertainment district.
7. Support and develop policies and programs to encourage adaptive reuse of existing buildings, infill lots, and upper-story rehabilitation and occupancy.
8. Implement the 2020 Downtown Parking and Circulator Study recommendations.

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ED Policy 7

Maintain a business climate that is resilient of natural disasters, pandemics, social unrest or any other unforeseen circumstance that can negatively impact the network of businesses and owners in the Community.

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ED Policy 8

Actively incorporate the considerations of underrepresented communities and low-income residents communities in economic development.

IMPLEMENTATION

1. Coordinate with community groups active among minority communities and with low-income residents for public outreach to elevate and include those voices in public discourse and decision-making.
2. Actively recruit underrepresented populations to advisory boards, committees, and other volunteer positions.
3. Support the growth and work of local organizations, including those who assist with financial coaching and literacy, equity in business loans, and active support for minority-owned businesses.
4. Ensure City businesses accept cash to improve access to unbanked residents.
5. Assess municipal policy options to lower poverty levels and relieve poverty-induced stress among City residents.
6. Commission a comprehensive anti-racism plan with recommendations for economic development policy.

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